

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtor.

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Plaintiff,

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

PROMESA Title III

No. 17 BK 4780-LTS

PROMESA Title III

Adv. Proc. No. 19-00391-LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE,

Defendant.

**JOINT STIPULATION OF THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, U.S. BANK NATIONAL
ASSOCIATION, THE AD HOC GROUP OF PREPA BONDHOLDERS, ASSURED
GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP., NATIONAL
PUBLIC FINANCE GUARANTEE CORPORATION, AND
SYNCORA GUARANTEE INC. TO ALLOW INTERVENTION**

WHEREAS, the Financial Oversight and Management Board for Puerto Rico (the “Board” or “Plaintiff”) initiated an adversary proceeding against the U.S. Bank National Association, as Trustee (the “Trustee”), on July 1, 2019, objecting to and challenging the validity, enforceability, and extent of prepetition security interests and seeking other relief. [ECF No. 1];

WHEREAS, the Court stayed the adversary proceeding on July 16, 2019. [ECF No. 10];

WHEREAS, the Court entered a scheduling order on September 29, 2022, setting a deadline of September 30, 2022, for the Board to file an amended adversary complaint, and a deadline of October 6, 2022, for requests for intervention. [ECF No. 22];

WHEREAS, the Board filed an amended complaint on September 30, 2022, continuing to name the U.S. Bank National Association, as Trustee (“Defendant”) as the sole defendant. [ECF No. 24], which was further amended on October 3, 2022 to correct a non-substantive caption error [ECF No. 26] (the “Complaint”);

WHEREAS, the Ad Hoc Group of PREPA Bondholders (the “Ad Hoc Group”), Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (“Assured”), National Public Finance Guarantee Corp. (“National”), and Syncora Guarantee Inc. (“Syncora,” and together with the Ad Hoc Group, Assured, and National, the “PREPA Bondholders”) have a direct and substantial

economic stake in the outcome of this litigation because they collectively own or insure over \$3 billion worth of PREPA bonds;

WHEREAS, the above-captioned adversary proceeding would adjudicate the Trustee's rights under the Trust Agreement (as defined in the Complaint) which rights directly impact the PREPA Bondholders;

IT IS HEREBY STIPULATED AND AGREED, subject to any further order of the Court, that:

1. The PREPA Bondholders may intervene in the above-captioned adversary proceeding as defendants with full participation rights pursuant to Federal Rule of Bankruptcy Procedure 7024, Federal Rule of Civil Procedure 24, and Bankruptcy Code section 1109(b);

2. The PREPA Bondholders shall meet all deadlines applicable to parties set in the adversary proceeding by order, agreement, or rule, including but not limited to the deadlines for party filings as set forth in the litigation schedule ordered by the Court on September 29, 2022 [ECF No. 22];

3. The PREPA Bondholders shall appoint one party who can negotiate with and agree with Plaintiff on all procedural matters in this adversary proceeding, including, but not limited to, extensions of time.

4. Defendant and the PREPA Bondholders shall file one consolidated answer to the amended complaint (indicating any differences among the parties), and one consolidated set of counterclaims (if any are asserted and indicating any differences among the parties);

5. To the extent Defendant and the PREPA Bondholders move for or oppose summary judgment in this action, they shall do so in a single consolidated brief (indicating any differences among the parties);

6. The PREPA Bondholders shall make all other reasonable efforts to participate in the adversary proceeding, as intervenor-defendants, without duplication of effort, including by (i) coordinating on the noticing of discovery (to the extent discovery, if any, is permitted) by serving joint consolidated notices to avoid duplicative discovery, and (ii) unless a request for relief by motion applies only to certain of the defendant parties (including the PREPA Bondholders), coordinating on any motion practice, including but not limited to filing joint consolidated motion papers on any motion for, or opposition to, summary judgment.

7. Each of the PREPA Bondholders shall have the right to enter into settlement agreements with Plaintiff regarding the disputes arising in this adversary proceeding, and any such settlement(s) shall not bind any other PREPA Bondholder, the Trustee, or non-intervening holder of PREPA bonds.

8. Nothing in this stipulation shall afford any rights to holders of PREPA bonds that do not intervene in this adversary proceeding. To the extent a judgment in this adversary proceeding against the Trustee would bind the PREPA Bondholders the intervention herein shall not change that outcome. Nothing herein shall impair the Trustee's rights under the Trust Agreement, including the Trustee's appellate rights.

9. The PREPA Bondholders may seek relief from any of the foregoing upon a showing of cause.

We hereby certify that, on this same date, we electronically filed the foregoing with the clerk of the Court using the CM/ECF system, which will notify the attorneys of record.

RESPECTFULLY SUBMITTED,

In San Juan, Puerto Rico, today October 6, 2022.

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² Syncora Guarantee Inc. joins this motion through its owners, funds, and accounts managed by GoldenTree Asset Management, LP, a member of the Ad Hoc Group.

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SO ORDERED:

Dated: October 7, 2022

/s/ Judith Gail Dein
HONORABLE JUDITH GAIL DEIN
United States Magistrate Judge